

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

**W-02372A**

Verde Lakes Water Corporation  
2867 S. Verde Lakes Dr., Ste. B  
Camp Verde, AZ 86322-6595

RECEIVED  
JUL 14 2011  
ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2010</b>
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FOR COMMISSION USE

<b>ANN 04</b>	<b>10</b>
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7-18-11

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Verde Lakes Water Corporation</u>			
<b>Mailing Address</b> <u>2867 South Verde Lakes Drive, #B</u>			
(Street)			
<u>Camp Verde</u>	<u>AZ</u>	<u>86322-6595</u>	
(City)	(State)	(Zip)	
<u>928-567-4338</u>	<u>928-567-7049</u>	<u>928-300-0541</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> <u>vlwatercorp@comspeed.net</u>			
<b>Local Office Mailing Address</b> <u>Same</u>			
(Street)			
(City)			
(State)			
(Zip)			
Local Office Telephone No. (Include Area Code)			
Fax No. (Include Area Code)			
Cell No. (Include Area Code)			
<b>Email Address</b> <u>Same</u>			

## MANAGEMENT INFORMATION

<input type="checkbox"/> <b>Regulatory Contact:</b>			
<input checked="" type="checkbox"/> <b>Management Contact:</b> <u>Alan Williams</u> <u>Operations Manager</u>			
(Name) (Title)			
<u>2867 South Verde Lakes Drive, #B</u>	<u>Camp Verde</u>	<u>AZ</u>	<u>86322-6595</u>
(Street)	(City)	(State)	(Zip)
<u>928-567-4338</u>	<u>928-567-7049</u>	<u>928-300-0541</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> <u>bigal@wildapache.net</u>			
<b>On Site Manager:</b> <u>Same</u>			
(Name)			
(Street)			
(City)			
(State)			
(Zip)			
Telephone No. (Include Area Code)			
Fax No. (Include Area Code)			
Cell No. (Include Area Code)			
<b>Email Address</b> <u>Same</u>			

<b>Statutory Agent:</b> <u>Alan Williams</u>			
(Name)			
2867 South Verde Lakes Drive, #B	Camp Verde	AZ	86322-6595
(Street)	(City)	(State)	(Zip)
928-567-4338	928-567-7049	928-300-0541	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Attorney:</b> <u>N/A</u>			
(Name)			
(Street) (City) (State) (Zip)			
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)			
<b>Email Address</b> _____			

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

<input type="checkbox"/> <b>Sole Proprietor (S)</b>	<input type="checkbox"/> <b>C Corporation (C) (Other than Association/Co-op)</b>
<input type="checkbox"/> <b>Partnership (P)</b>	<input type="checkbox"/> <b>Subchapter S Corporation (Z)</b>
<input type="checkbox"/> <b>Bankruptcy (B)</b>	<input checked="" type="checkbox"/> <b>Association/Co-op (A)</b>
<input type="checkbox"/> <b>Receivership (R)</b>	<input type="checkbox"/> <b>Limited Liability Company</b>
<input type="checkbox"/> <b>Other (Describe)</b> _____	

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> <b>APACHE</b>	<input type="checkbox"/> <b>COCHISE</b>	<input type="checkbox"/> <b>COCONINO</b>
<input type="checkbox"/> <b>GILA</b>	<input type="checkbox"/> <b>GRAHAM</b>	<input type="checkbox"/> <b>GREENLEE</b>
<input type="checkbox"/> <b>LA PAZ</b>	<input type="checkbox"/> <b>MARICOPA</b>	<input type="checkbox"/> <b>MOHAVE</b>
<input type="checkbox"/> <b>NAVAJO</b>	<input type="checkbox"/> <b>PIMA</b>	<input type="checkbox"/> <b>PINAL</b>
<input type="checkbox"/> <b>SANTA CRUZ</b>	<input checked="" type="checkbox"/> <b>YAVAPAI</b>	<input type="checkbox"/> <b>YUMA</b>
<input type="checkbox"/> <b>STATEWIDE</b>		


**COMPANY NAME**

Verde Lakes Water Corporation

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	63,320	-0-	63,320
304	Structures and Improvements	77,615	18,178	59,437
307	Wells and Springs	29,423	22,823	6,600
311	Pumping Equipment	84,394	81,496	2,898
320	Water Treatment Equipment	56,440	11,041	45,399
330	Distribution Reservoirs and Standpipes	213,583	132,083	81,500
331	Transmission and Distribution Mains	333,786	322,685	11,101
333	Services	30,772	28,040	2,732
334	Meters and Meter Installations	56,256	56,256	-0-
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	17,264	13,246	4,018
341	Transportation Equipment	31,810	27,569	4,241
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	51,838	50,868	970
346	Communication Equipment	1,041	1,041	-0-
347	Miscellaneous Equipment	11,642	6,796	4,846
348	Other Tangible Plant	16,162	3,372	12,790
	<b>TOTALS</b>	<b>1,075,346</b>	<b>775,494</b>	<b>799,852</b>

This amount goes on the Balance Sheet Acct. No. 108



**COMPANY NAME**

Verde Lake Water Corporation

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	63,320	-0-	-0-
304	Structures and Improvements	77,615	2.13	1,653
307	Wells and Springs	29,423	2.73	804
311	Pumping Equipment	84,394	1.44	1,213
320	Water Treatment Equipment	56,440	4.94	2,788
330	Distribution Reservoirs and Standpipes	213,583	2.56	5,476
331	Transmission and Distribution Mains	333,786	.42	1,386
333	Services	30,772	1.43	440
334	Meters and Meter Installations	56,256	-0-	-0-
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	17,264	4.40	760
341	Transportation Equipment	31,810	20.00	6,362
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	51,838	9.05	4,690
346	Communication Equipment	1,041	0	-0-
347	Miscellaneous Equipment	11,642	8.28	964
348	Other Tangible Plant	16,162	6.09	984
	<b>TOTALS</b>	<b>1,075,346</b>		<b>27,520</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
 Acct. No. 403.

<b>COMPANY NAME</b>	Verde Lakes Water Corporation
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### **BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 13,465	\$ 2,128
134	Working Funds		
135	Temporary Cash Investments	143,084	143,335
141	Customer Accounts Receivable	10,723	8,691
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	7,887	13,500
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 175,159	\$ 167,654
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 1,008,479	\$ 1,075,346
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(747,973)	(775,494)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 260,506	\$ 299,852
	<b>TOTAL ASSETS</b>	\$ 435,665	\$ 467,506

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

<b>COMPANY NAME</b>	Verde Lakes Water Corporation
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### **BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 2,589	\$ 4,231
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		1,547
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 2,589	\$ 5,778
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	40,242	18,437
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 40,242	\$ 18,437
	<b>TOTAL LIABILITIES</b>	\$ 42,831	\$ 24,215
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	392,834	443,291
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 392,834	\$ 443,291
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 435,665	\$ 467,506

### COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 212,678	\$ 195,031
460	Unmetered Water Revenue		
474	Other Water Revenues	12,451	9,525
	<b>TOTAL REVENUES</b>	\$ 225,129	\$ 204,556
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 83,955	\$ 87,816
610	Purchased Water		
615	Purchased Power	23,253	22,878
618	Chemicals		
620	Repairs and Maintenance	18,086	14,831
621	Office Supplies and Expense	13,101	13,294
630	Outside Services	4,850	13,807
635	Water Testing	8,006	6,888
641	Rents	4,200	4,200
650	Transportation Expenses	3,074	5,771
657	Insurance – General Liability	13,659	6,339
659	Insurance - Health and Life		6,000
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense	25,407	27,520
408	Taxes Other Than Income	10,222	7,358
408.11	Property Taxes	9,258	8,734
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 217,071	\$ 225,436
	<b>OPERATING INCOME/(LOSS)</b>	\$ 8,058	\$ (20,880)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 185	\$ 214
421	Non-Utility Income	3,574	71,589
426	Miscellaneous Non-Utility Expenses	(63)	
427	Interest Expense	(718)	(466)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 2,978	\$ 71,337
	<b>NET INCOME/(LOSS)</b>	\$ 11,036	\$ 50,457



<b>COMPANY NAME</b>	Verde Lakes Water Corporation
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**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End                      \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year                      \$ \_\_\_\_\_

<b>COMPANY NAME</b>	Verde Lakes Water Corporation
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-801447	10	90	250	10		1992
55-801449	3	25	189	6		1958
55-559150	10	90	390	8	4	1997
55-524344	10	100	184	10	4	1990
55-524343	10	95	200	10	4	1990

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
N/A		

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
7 ½	9	N/A	

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
49,000 GAL	2	5,000 GAL	4
125,000 GAL	1		
66,000 GAL	1		
65,000 GAL	2		

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME</b>	Verde Lakes Water Corporation
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3	P.V.C.	500
4	P.V.C.	2,600
5		
6	P.V.C.	17,700
8	P.V.C.	2,800
10	P.V.C.	1,200
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	783
3/4	N/A
1	3
1 1/2	2
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

3 Chlorine Pumps
2 Arsenic Removal Equipment

**STRUCTURES:**

Big Valley	-	1 Fleetrical Shed
Dinkey Creek	-	1 Fleetrical Shed
Maple	-	1 Pump Shed
Stillwater	-	1 Pump Shed - Fleetrical Shed

**OTHER:**

N/A

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME:</b>	Verde Lakes Water Corporation
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

### **WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	800	3,201	4,216	-0-
FEBRUARY	795	2,840	3,305	-0-
MARCH	795	3,003	3,224	-0-
APRIL	797	4,769	5,323	-0-
MAY	803	5,756	7,090	-0-
JUNE	807	8,089	11,373	-0-
JULY	801	6,627	8,711	-0-
AUGUST	800	5,555	8,238	-0-
SEPTEMBER	800	7,014	8,535	-0-
OCTOBER	800	4,845	6,595	-0-
NOVEMBER	798	3,589	5,259	-0-
DECEMBER	797	3,505	4,679	-0-
<b>TOTALS →</b>		58,793	76,548	-0-

13-513-.022

13-039-.014

What is the level of arsenic for each well on your system? 13-130-.0002 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? \_\_\_\_\_ GPM for \_\_\_\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

( ) Yes                      (x) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes                      (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

<b>COMPANY NAME:</b>	Verde Lakes Water Corporation
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		1	
FEBRUARY		2	
MARCH		1	
APRIL		0	
MAY		0	
JUNE		5	
JULY		2	
AUGUST		1	
SEPTEMBER		0	
OCTOBER		1	
NOVEMBER		0	
DECEMBER		2	
<b>TOTALS →</b>		15	

OTHER (description):

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**COMPANY NAME** Verde Lakes Water Corporation **YEAR ENDING 12/31/2010**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 8,734

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

RECEIVED

AZ CORP COMM  
Director Utilities

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

VERIFICATION

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL) TITLE	Alan Williams, Operation Manager
COMPANY NAME	Verde Lakes Water Corporation

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

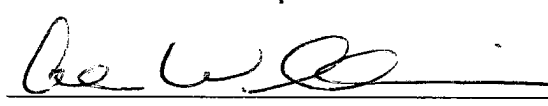
MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

928-567-4338

TELEPHONE NUMBER

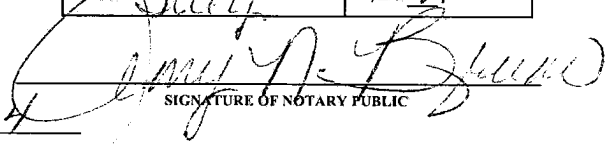
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 8th DAY OF

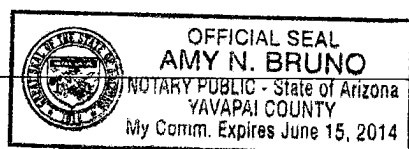
(SEAL)

COUNTY NAME	Yavapai
MONTH	July
YEAR	2011



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 10-15-2014



COMPANY NAME Verde Lakes Water Corporation YEAR ENDING 12/31/2010

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
SIGNATURE

17-8-2011  
\_\_\_\_\_  
DATE

Alan Williams  
\_\_\_\_\_  
PRINTED NAME

Operations Manager  
\_\_\_\_\_  
TITLE



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

AZ CORP COMM  
Director Utilities

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Alan Williams, Operation Manager</u>
COMPANY NAME	<u>Verde Lakes Water Corporation</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2010</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 223,311

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 18,755  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Alan Williams  
SIGNATURE OF OWNER OR OFFICIAL  
928-567-4338  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

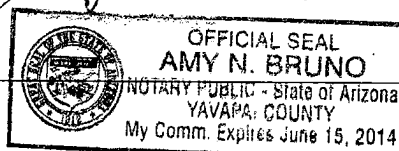
THIS 8th DAY OF

(SEAL)

MY COMMISSION EXPIRES 6-15-2014

COUNTY NAME	<u>Yavapai</u>
MONTH	<u>July</u>
YEAR	<u>2011</u>

Amy N. Bruno  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**  
Intrastate Revenues Only

**RECEIVED**

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) Yavapai	
NAME (OWNER OR OFFICIAL) Alan Williams	TITLE Operations Manager
COMPANY NAME Verde Lakes Water Corporation	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 223,311

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 18,755

IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

*Alan Williams*  
SIGNATURE OF OWNER OR OFFICIAL

928-567-4338

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

8th

DAY OF

NOTARY PUBLIC NAME Amy N. Bruno	
COUNTY NAME Yavapai	
MONTH July	2011

(SEAL)

MY COMMISSION EXPIRES

6-15-2014

